

FACT SHEET ON SDG 8 LEADER INDUS MOTOR COMPANY



Indus Motor Company Limited (IMC) is a joint venture between certain companies of House of Habib of Pakistan, Toyota Motor Corporation and Toyota Tsusho Corporation of Japan. Incorporated in 1989, the Company manufactures and markets Toyota brand vehicles in Pakistan. The company also markets genuine parts, motor oil in addition to providing maintenance service through a network of dealers spread across the country.

MANAGEMENT APPROACH TOWARDS SDG 8: DECENT WORK AND ECONOMIC GROWTH - THE TOYOTA WAY

The Toyota Way is IMC's simple framework for applying Toyota's Guiding Principles and building the kind of company they want to be. The Toyota Way defines the fundamental values and business methods all IMC's employee should apply in every aspect of their day-to-day work, at every level of the company, worldwide. It is the foundation of the company's corporate culture. IMC continues to develop the Toyota Way to keep pace and remain effective and relevant in an ever-changing world, so it is kept under constant scrutiny to see how it can be developed and improved.

THE TOYOTA WAY IS BUILT ON TWO PILLARS



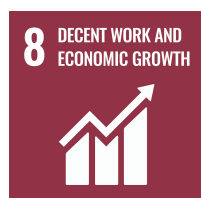
CONTINUOUS
IMPROVEMENT

Challenge
Kaizen
Genchi Genbutsu



RESPECT
FOR PEOPLE

Respect
Teamwork



BUSINESS STRATEGIES TARGETING SDG 8

SDG TARGET 8.1

SDG 8.1: Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 % gross domestic product growth per annum in the least developed countries

BUSINESS THEME

Economic Performance

BUSINESS ACTION TAKEN BY IMC

- Increase in number of units produced over the years (50,557 units in year 2010 to 65,346 units in 2019)
- Procurement of locally produced parts for Rs 150+ million in every working day
- Continuous training of employees through Kaizen and Jidoka to increase productive potential of workforce
- Toyota-Technical Education Program (T-TEP) under partnership with technical institutions in Karachi, Lahore and Islamabad. (So far, 56 instructors trained and above 4,500 graduates)
- Apprenticeship program enhancing technical skills and availability of talent pool for local industry bridging the supply and demand gap. On an average, around 700 matriculates (min) are being trained annually.
- Creating new jobs in the supply chain through localization policy (Tariff Based System)
- Supporting technology transfer and capacity building of local suppliers through technical agreements with Toyota Motor Corporation (TMC), Toyota Tsusho Corporation (TTC) and affiliates (IMC supported in getting 35 TAAs, Technical Assistance Agreements)
- Working closely with the Engineering Development Board (EDB), Ministry of commerce and industry for creation of policies that support localization and engineering base in Pakistan
- Active participation through the Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM) and the Pakistan Automotive Manufacturers Association (PAMA) for developing constructive solutions to public policy challenges that promote sustainable mobility and benefit society in the areas of environment, energy and motor vehicle safety to promote sustainable inclusive markets



SDG TARGET 8.2

SDG 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors

BUSINESS THEME

Indirect Economic Impact
Training and Development

BUSINESS ACTION TAKEN BY IMC

- TEAM 21: To deliver state-of-the-art after sales services as per Toyota's Standards, a comprehensive technical training program Toyota TEAM 21 (Toyota Technical Education for Automotive Master 21st century) is a pre-requisite for Toyota dealers' technicians. The program consists of four training categories; Toyota Technician, Professional Technician, Diagnostic Technician (Engine, Chassis & Electrical), and Diagnostic Master Technician(Engine, Electrical + MPX & NVH). Our 100% dealerships had Toyota-certified technicians at the end of financial year 2019
- OJT (On-Job-Training) to employees
- Inter-Company Transfer (ICT) that helps in exchange of knowledge, learning of techniques, gaining of experience, working in cultural diversity. Annually, 10 to 15 employees are sent to Toyota affiliates in Japan, Singapore, Thailand for one to three years duration
- Supporting engineering students for their final year project on news ideas and technologies for solving different problems (such as walkaide device for blind people (VIBSEE) by students from NUST-PNEC and Indigenous Paper Recycling Machine by NED students)



SDG TARGET 8.2

BUSINESS ACTION TAKEN BY IMC

- Sponsorship to engineering students of NUST/GIK/PNEC on co-innovation of eco-friendly cars for International Competition (Shell Eco Marathon) held annually
- Partnership with Habib University Foundation, technology firms and university research centres for nurturing new technology that addresses real world issues. IOT, AI and Big data are some of the trends IMC is working with
- Toyota - Goth Education Program (T-GEP) initiated in 2008 for taking road/poor children to school, providing full financial support for their education. Currently, 250 students are enrolled for primary and secondary education, whereas 17 students already reached at college for their higher education. Excellent SSC results, four A1-grade, Six A-grade, Five B-grade, etc.
- Partnership with The Citizens Foundation (TCF) from construction and now running two Schools in Muzaffargarh and Hyderabad. One thousand students are getting their education every year
- Sponsor with the Youth Impact as "Official Women Leaders Partner" for Markhor Conference, which is a distinctive social leadership development experiment, a wilderness-based Youth Leadership Program - IMC supports since 2014-15

SDG TARGET 8.3

SDG 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

BUSINESS THEME

Employment and workforce and supply chain

BUSINESS ACTION TAKEN BY IMC

- Policies and procedures in relating to labor practices, health and safety and human rights in place to ensure decent working condition and increase productive potential at IMC and in supply chain
- Supplier section criteria based on defined KPIs covering environmental and social KPIs

TARGET 8-3



PROMOTE POLICIES TO SUPPORT JOB CREATION AND GROWING ENTERPRISES

SDG TARGET 8.5

SDG 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

BUSINESS THEME

Employment and workforce

Diversity and equal opportunity

Employment and supply chain

Remuneration and benefit

BUSINESS ACTION TAKEN BY IMC

- Minimum wage law is followed by IMC and supply chain partners
- Offering competitive market based salaries and benefits to employees
- Diversity and equal opportunity is ensured at employees and Board level
- Grievance mechanism is in place where employees can anonymously report incidents regarding violence. The mechanism is kept strictly confidential.
- Code of Conduct is in place which prohibits all forms of violence in the workplace. It stands at three pillars: (1) IMC Core Values, (2) Speak Up System and (3) Anti-Bribery Regulations
- Ethic committee: BOD member, CEO and GM
- Speak-up System: an independent, confidential and neutral system provided by the company for reporting any type of behavior or misconduct

TARGET 8-5



FULL EMPLOYMENT AND DECENT WORK WITH EQUAL PAY

SDG TARGET 8.5

BUSINESS ACTION TAKEN BY IMC

- ASHA 2010 Compliance: Anti-Social Harassment Act is a part of IMC Code of Conducts – a system to provide a safe, dignified working environment for men and women that is free of sexual harassment, abuse and intimidation, thus promoting higher productivity and better quality of life at work
- Policies for preventing labor rights violation are in place at IMC and in supply chain
- Non-discrimination policy is in place and strictly adhered at IMC
- Suppliers code of conduct is shared with supply chain partners and training to supplier for compliance is carried out. Suppliers are regularly evaluated against the code of conduct and based on evaluation corrective action is taken
- Grievance mechanism is in place where violation of human rights can be reported in the supply chain

SDG TARGET 8.6

SDG 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training

BUSINESS THEME

Youth employment

Training and development program

BUSINESS ACTION TAKEN BY IMC

- Supporting 20 engineering students annually for participation in Asia's Shell Eco Marathon fuel efficiency competition, holds annually in Singapore, Malaysia, Philippines
- Contributing engineering students of universities through funding and participation in various activities, such as Paper Recycling Machine, sensors based gadget for Blindpeople, supply of the book "The Toyota Way" for library and for adaptation in course contents
- Supporting 10 female for attending annual Markhor Conference, organized by the Youth Impact - a wilderness-based Youth Leadership Program
- In an age of accelerating technological and environmental developments, "Start-Your-Impossible" marks Toyota's commitment to support the creation of a more inclusive and sustainable society in which everyone can challenge their impossible. Supporting this global corporate initiative, IMC has pledged to sponsor a karate player and a wheelchair table tennis player for their journey to Olympic and Paralympic Games Tokyo 2020 respectively

TARGET 8-6



PROMOTE YOUTH
EMPLOYMENT,
EDUCATION AND
TRAINING

SDG TARGET 8.7

SDG 8.7: Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms

BUSINESS THEME

Elimination of forced or compulsory labor

BUSINESS ACTION TAKEN BY IMC

- Clearly defined policies and procedures are in place which prohibit child labour, forced and compulsory labour at IMC and in supply chain

TARGET 8-7



END MODERN SLAVERY,
TRAFFICKING AND
CHILD LABOUR

